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Rep. George Miller (D-CA) Opening Statement

WASHINGTON, D.C. – Below are the prepared remarks of U.S. Rep. George Miller (D-CA), the senior Democrat on the House Committee on Education and the Workforce for the hearing on “The Policies and Priorities of the U.S. Department of Health and Human Services”.

Good morning, I would like to welcome Secretary Sebelius to the committee.

From educating our youngest children in Head Start, to ensuring seniors’ access to health care in Medicare, your department administers programs that have unquestionably made our families and communities healthier, and our country stronger.

In recent months, we have seen an unprecedented attack on these programs that help millions of American families. While we must address our nation’s long-term deficits, the budget priorities pursued by the Republican majority put much of the sacrifice directly on the backs of children and seniors.

Cutting 130,000 kids from Head Start isn’t how to rebuild our economy.

And repealing the historic health reform law won’t help families and businesses get health costs under control.

You and your agency have primary responsibility of the implementation of the Affordable Care Act. A year after its enactment, health reform was still the right thing to do.

It was the right thing to do for families struggling to get affordable coverage. It was the right thing to do for businesses crushed by skyrocketing premiums over the last decade. And it was the right thing to do to finally end the worst abuses of the insurance industry.

The Affordable Care Act also makes significant strides in combating fraud and abuse in the Medicare and Medicaid systems. And it included key health care cost controllers, identified by top experts as critical to getting costs under control without rationing care.

The same cannot be said about the Republican’s budget. They achieve savings not by making Medicare work better, but by shifting costs onto seniors.

In fact, seniors would have to shoulder approximately \$6,400 more in health care costs in 2022. The typical 65-year-old in 2022 will spend half of their Social Security on health insurance under the Republican budget plan. And that cost increases with each passing year.

Using the CBO's numbers, the Center for Economic and Policy Research has found that, to buy a Medicare equivalent policy under the Republican plan, the median 85-year-old in 2050 would have to spend twice their annual income.

In this committee, we should be concerned about what this means for workers today.

Based on further analysis from the Center, which I submit for the record, a 54-year-old today would have to save an additional \$182,000 over the next 11 years just to pay the increased health care costs under the Republican budget plan. This is over and above what they may already be putting away every month.

So these workers will have to find around an extra thirteen hundred dollars each month to put in their IRA or 401(k). And that is contingent on the market not crashing right before they retire.

This committee has been concerned for years about the sufficiency of workers' retirement savings. In 2007, before the recent crisis, the Census Bureau found half of all workers had no retirement savings. In 2010, the Employee Benefits Research Institute found that the average retirement savings shortfall was over \$47,000 per individual. And all of that was counting on Medicare.

So how do workers save another \$182,000?

Real wages have been stagnant since the 1970s. Unemployment remains high, with no jobs bill from the Republican Majority on the horizon. Labor protections for workers who try to organize and better their lot are weak. And the right to collectively bargain is under assault in states across the country.

Under the Republican plan, seniors will go into debt. They will be forced to sell their homes that they spent a lifetime paying off. And they will have to rely on their children just to pay for basic medical care. This is not what anyone would envision as a dignified retirement.

Yes, Congress needs to work on additional reforms to make sure Medicare is sustainable for seniors in the future and sustainable for taxpayers. We took a substantial step towards this goal through the Affordable Care Act.

But, a few things are certain: you don't save Medicare by abolishing it. And you don't help seniors have a dignified retirement by forcing them into poverty.

I welcome you to the committee and look forward to your testimony.

<http://democrats.edworkforce.house.gov>